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THE PROCESS OF WRITING A COLLECTIVE BARGAINING SIMULATION: A CASE STUDY IN PRACTICAL PEDAGOGY

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ABSTRACT

This paper summarizes the authors' experiences in developing and implementing a collective bargaining simulation. The simulation is based on actual negotiations between a local teachers' association and a city school board. This paper identifies a number of collective bargaining simulations currently available and describes how the authors structured their simulation (entitled TEACHNEG) to capitalize on the major strengths of those already in use. In the final section of the paper, the authors briefly relate evaluative data from the students who have participated in TEACHNEG sessions.

INTRODUCTION

The objective of this paper is to relate our experiences in writing a collective bargaining simulation to other persons involved in the fields of industrial relations and labor education. It is hoped that this paper will stimulate others in preparing their own collective bargaining simulations and that it will provide a basic framework within which such exercises can be constructed. It is not our intention to imply that this is the only, or even the best method to follow in writing a collective bargaining simulation. Our goal is to stimulate further research and practical applications of research concerning the collective bargaining process, and, in the meantime, to provide a realistic bargaining simulation for use in our own and other classrooms.

State of the Art in Collective Bargaining Simulation

At one point or another in their teaching careers all educators experience the frustration of attempting to relate their classroom teaching activities directly to the practical demands that students will experience in employment. It may be, for example, that many of us feel somewhat uneasy in teaching courses like collective bargaining, owing to the fact that teachers often have no "real world" bargaining experiences upon which to draw. It may also be due to the high level of practical experience and motivation of the students, who as a group often know exactly what they want and who seem more interested in learning what can't be taught (e.g., tactics and strategy) than what can (e.g., basic economics, labor law, interpretation of financial statements). The final source of frustration experienced by those attempting to translate theory into practice in the collective bargaining area is the unavailability of teaching techniques that can impart this kind of knowledge accurately and systematically. This discussion will focus on removing the last named frustration from the list: the unavailability of acceptable process simulators.

Before writing our own simulation of the bargaining process we reviewed several of those currently available and categorized them into three basic types: (a) short term experimental learning simulations, (b) business games or fixed choice simulations, and (c) case study simulations.

Experimental learning exercises are the most intensively studied type of collective bargaining simulations, and are the ones most often used by psychologists in studying the bargaining process and in teaching effective bargaining behaviors. One example of this type of simulation is "Demy Ltd." devised by Ian Morley and Geoffrey Stephenson [4]. In the "Demy Ltd." simulation students are given fifteen minutes to read the background information on an industrial dispute involving the method of wage payment for a new production process. The students are instructed to bargain for a thirty minute period to resolve the dispute. Management and union negotiators are given different bargaining goals and background information. The point of the exercise is to emphasize to the students the effectiveness of differing bargaining behaviors and methods of communication in influencing the behaviors of the opposing party. One common element in experimental bargaining exercises is that the two parties receive differing pre-negotiation instructions. An interesting extension of the experimental type simulation is related by Armor, who uses monetary incentives as an inducement to achieve greater participant involvement in the exercise [ii].

The second type of simulation technique sometimes used in teaching bargaining behaviors is the business game type of exercise. One example of the game approach to teaching collective bargaining behaviors is Settle or Strike developed by the education department of the Communications Workers of America [2]. Settle or Strike contains detailed background and financial data pertinent to the upcoming negotiations between the fictitious Lastik Plastic Company and Local 0001 of the CWA. Players are allowed to bargain on five issues: wages, union security, vacations, seniority, and contract length. Within each of these issues, however, the range of outcomes is restricted to six discrete possibilities. For example, the alternatives on the wage demand can be either 0c, 10c, 20c, 30c, 40c, or 50c; and players are limited to demands from this list. The evaluation of the final settlement is accomplished through the use of an Agreement Result Calculator which totals the outcomes by issue and then assigns a normative evaluation to the entire agreement based on the authors' conception of what the ideal settlement should be. For example, the evaluation of an agreement which overwhelmingly favors the union reads:

"The agreement reached was so favorable to the union that company stockholders immediately forced the company to move to another state where it can avoid the union altogether. This resulted in the unemployment of 100 men with annual earnings of \$500,000."

The third type of simulation exercise currently in use is the simulation case study. The simulation case study typically contains background information on the company and the union, a description of the roles to be followed by members of the two teams, a description of the existing collective bargaining agreement, and a compendium of bargaining data such as inter-industry wage comparisons, cost of living increases, and financial data (e.g., balance sheet and income statement)

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pertinent to the company. There are many simulation case studies available; two that we have used in classroom situations in the past are Contract Negotiations [7] and KUBSIM [3].

In writing our own bargaining simulation, we chose the case study format over both the experimental and gaming approaches. Our goal was to produce an exercise that simulated an actual bargaining situation as closely as possible. The experimental type of simulation was rejected for three reasons: (a) the typical experimental situation is too short (usually 30 minutes) to accurately replicate the broad range of effective bargaining behaviors, many of which only appear after repeated face to face meetings between the parties; (b) the experimental simulation stresses process (e.g., behavioral outcomes) over content considerations; and (c) the experimental simulations expose the participants to bargaining activities confined only to the bargaining table. There is seldom a need (or even an opportunity) for a caucus; and thus there is no corresponding need for intra-organizational bargaining. The business game type of simulation offers a distinct advantage over the experimental simulations in that it provides for lengthy interactions, encourages process and content discussions, and allows for intra-team bargaining and caucusing. The overriding shortcoming of this type of simulation, however, is that the range of content outcomes are determined by the rules of the game. In Settle or Strike, for instance, there are six, and only six, allowable outcomes within each of the five bargaining issues. While it may be persuasively argued that content limitation facilitates evaluation, we feel that this restriction tends to discourage compromise and severely restricts the flexibility of the bargainers in fashioning an acceptable settlement.

The choice of the simulation case study type of format, however, does not in and of itself guarantee an absence of structural problems. In fact, the case study techniques presently available suffer from three major problems: (a) inadequate comparison data on wages and working conditions in comparable industries, (b) inadequate cost data or fringe benefit alternatives (especially for health insurance and pension plans), and (c) no benchmarks by which the students or the instructor can evaluate the outcomes in the bargaining exercise. In devising our own simulation, we sought to incorporate what we saw as the major strengths of all three types of simulation techniques into a case study entitled TEACHNEG.

The Preparation of TEACHNEG

Our primary objective in preparing a collective bargaining simulation was to maintain the maximum amount of realism in the background and comparative wage and cost data available to the players. In addition, we felt that for students to gain the optimal benefit from the exercise, the simulation should reflect a work environment with which they had some first-hand experience. For this reason, it was decided to set the simulation in an educational institution, as this is one work environment which all students have had occasion to observe.

The decision to frame the bargaining simulation within the employment context of an educational system had a number of fortuitous advantages in addition to the fact that the students were all familiar with the basic operation of the system. The most important advantage from our point of view was the availability of data. Owing to the fact that the educational system is publicly supported, it is a rich source of data for students of the collective bargaining process. In Ohio, for instance, the State Department of Education publishes an

annual report detailing the costs per pupil for instructional costs, plant operation and maintenance costs, transportation costs, average daily attendance, tax valuation, debt, and capital outlay for each school district [6]. The presence of such extensive cost data makes the comparison of operating and instructional costs across districts relatively simple. A second valuable source of data pertinent to the educational system in Ohio is provided by the Ohio Education Association (OEA). The OEA research department annually publishes the results of an extensive survey of teacher salaries and fringe benefits in Ohio [5]. The OEA report lists minimum and maximum salaries for bachelor's and master's degrees per district and, in addition, information on the length of the school year; sick leave provisions; health, dental, and life insurance provisions; and college tuition reimbursements. We need not belabor here the obvious importance of financial and salary information in bringing realism to the bargaining simulation.

The final source of data for the TEACHNEG bargaining simulation was certainly the most important in determining its unique character, for it was our good fortune to have access to the complete bargaining transcripts of a medium sized school district in northeastern Ohio. The transcript material detailed the 1916 bargaining interaction between labor and management over a three month period. In total, the transcripts amounted to over 700 type-written pages and contained the complete verbal record of seventeen sessions of bargaining. The transcripts were an invaluable source of data; moreover, the relevance of the data cannot be overemphasized, as this was the actual information the parties shared during the negotiations. The complete cost record on health insurance, life insurance, retirement payments, turnover (voluntary and involuntary), and distribution of teachers by experience and education was provided in the transcripts. In addition, the School Board presented all revenue and expense items in the budget to the teachers during bargaining. Just as importantly, the transcripts provided a detailed list of the teachers' initial demands. This list formed a perfect starting point in formulating an agenda for the participants in the simulation.

The simulation itself is written in five sections. The first section contains a community profile of the city encompassing the school district. Included in the profile are data detailing the demographics of the city population, economic profile of the community, and the political affiliation of the populace. These data are easily obtained from such sources as The Statistical Abstract, the Census of Governments, and Employment and Earnings. The community profile data are of considerable importance to the students in gauging the sentiment of the public, an important factor in local level public employee bargaining activities.

The second section of TEACHNEG outlines the pre-negotiation bargaining positions of both the teachers' union and the school board. There is a list of 23 teacher demands in this section which were gathered by the union in a mailed questionnaire. The union participants are asked to choose between six and ten of these to actually present in bargaining. In the actual negotiations the entire list was presented, but time constraints forestall this strategy in a classroom situation. Also included in section two is a relatively detailed budget for the district showing past and projected expenses and revenues. The whole purpose of section two is to establish the bargaining range; that is, to outline in as much detail as possible the teachers' demands and the Board's ability to pay. It should be emphasized that these are the actual demands and financial data the parties used in the bargaining situation.

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The third section of the simulation includes an abbreviated labor agreement similar to the one negotiated the previous year by the parties. The agreement was abbreviated to exclude much of the "working rule" type information which served to define the duties of persons only peripherally associated with the bargaining unit (e.g., librarians, guidance counselors, teachers' aides, and nurses). All essential information on recognition, management rights, grievance procedures, paid leave, transfer, discipline and discharge, wages, fringes, and working conditions are replicated as they were written in the agreement.

The roles of the members of each bargaining team are outlined in section four. This was the hardest part of the simulation to write, as the definition of roles was in some sense arbitrary. Reading 700 pages of verbal argument did give us some clues as to the values and goals of each bargainer, but certainly not a perfect picture. The Board bargaining team was composed of four persons: a local attorney who served as spokesperson, the school district's fiscal officer, the assistant district superintendent for personnel, and an elected member of the local board of education. The teachers' team consisted of the local union president who acted as spokesperson, a uni-serve staff representative from the Ohio Education Association, and two classroom teachers elected to the bargaining team by the local association membership. Students are asked to read the role outlines, but are not required to follow them in any specific way. The only procedural requirement established in reference to the roles is that each team is required to elect a spokesperson.

The final section of the TEACHNEG simulation contains a further specification of the economic and financial data contained in part two. The data section, for example, contains comparisons on cost of living and average earnings between the subject school community and others in the state. In addition, a listing is provided comparing every school district in the state on the basis of membership, costs, and teachers' salaries and fringe benefits. Furthermore, the data section contains an extensive range of alternatives to the present health and life insurance program accompanied by estimated costs associated with each alternative. Finally, the data section contains a matrix showing the number of teachers in each experience and education category contained in the present salary schedule. Additionally, students are allowed access to a file of collective agreements negotiated in other districts in the state.

Operationalization and Evaluation

The simulation was first operationalized using 16 persons in a graduate seminar in collective bargaining. The students were allowed to choose either the labor or the management team, but the final determination of the teams was left to the instructor. Interestingly, the group split exactly 50-50 labor and management in terms of their pre-bargaining affiliation preferences.

The initial introduction to the simulation took 30 minutes. During the pre-negotiation briefing, the students were given their team assignments, briefed on the rules of the exercise, and were instructed that each person was required to write a term paper at the conclusion of the simulation relating his or her experiences in bargaining. The entire experience which took the actual parties over 100 hours was to be compressed into three two hour segments.

The initial meeting between the parties was to include a presentation of the union's initial demands and an explanation for each demand. The Board was asked to reply to the union's demands, in writing, after a brief caucus. The second and third sessions were to be devoted to

hard bargaining and hopefully to the peaceful resolution of all items on the agenda. The fourth session was to be a summarization of what had transpired in bargaining in a verbal presentation by one member of each team to the class as a whole. During the fourth session, the instructors also made their evaluations of the separate bargaining sessions. Owing to the fact that there were two separate bargaining simulations going on simultaneously, some de-briefing of the class as a whole was necessary.

Our initial experience with the TEACHNEG simulation was an extremely positive one. An overwhelming majority (82%) of the students rated the simulation as a positive and realistic learning experience. Many students expressed satisfaction with the extensiveness and realism of the data. In addition, students seemed to enjoy comparing their agreement with that actually negotiated by the parties; a rare occurrence, if not an impossibility in most collective bargaining simulations.

Since our initial use of the simulation, we have used it on two other occasions, one of which was in a labor education program organized through a local central labor council less than 100 miles from the actual school district. The third use occurred in another graduate seminar. In the labor education class, the format was much the same as in our initial use, differing only in that bargaining took place within two three hour class periods. Again, response to TEACHNEG was overwhelmingly favorable, with 94% of the students rating the simulation as a positive/realistic learning experience.

As expected, the adult union members, some of whom had participated in actual bargaining sessions in their local, were stronger negotiators than the university graduate students. There was no indication, however, that the assignment of half of the class to Board of Education teams blunted their determination to negotiate to the best of their ability.

In short, we feel that the factual outlines of the collective bargaining process can be accurately replicated through the use of a simulation technique based on transcriptional as well as published data. One value of this procedure is that anyone can write his or her own collective bargaining simulation tailored to the interests and needs of the students, and to the community in which they are located. Fortunately, this opportunity will continue to expand as collective bargaining, at least in public employment, becomes more and more a part of the public domain and as transcripts, correspondingly, become easier to obtain.

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